



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0317	Title:	Restrict land trust merger of title
Primary Sponsor:	Lewis, Dave	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill has no fiscal impact.

FISCAL ANALYSIS

Assumptions:

1. Section 1 (2) of the bill amends 70-17-111, MCA, to specify that a conservation easement may not be extinguished through transfer of fee title to the land to which the conservation easement is attached. In addition, section 2 amends 70-17-203, MCA, to include conservation easements in the class of covenants that run with the land.
2. Under current law, conservation easements are considered to run with the land (76-6-209, MCA). In combination with the previous assumption, this suggests that the bill will not affect the current treatment of conservation easements with respect to transfer of title.
3. Proposed law will not affect the current law valuation of properties with conservation easements, and thus, will not affect projected property tax revenues from assessments on these properties.
4. Under proposed law, additional administrative costs incurred to the Department of Revenue in the 2009 biennium will not require additional expenditures.

5. An average of 80 to 120 new conservation easements are added per year at a cost of about \$1,400 to \$2,000 labor hours to record. This has already been factored into a grant request for Montana Land Information Act (MLIA) funds.
6. The cost of transforming the Heritage Program's Stewardship database to integrate with the cadastral database has already been planned for and the expected completion date will be before July 1, 2007. Funding will be requested from MLIA funds.

Technical Notes:

1. Section 5 (1) should specify that conservation easement information shall be mailed or electronically transferred to the Helena office of the Department of Revenue.
2. Section 5 does not provide a penalty for non-compliance with the conservation information transfer requirement.

Sponsor's Initials

Date

Budget Director's Initials

Date